

JUN 29 1994

SF-113

FMNP Policy Memorandum: 94-1  
Fiscal Year 1994 Allocation of Farmers' Market Nutrition  
Program (FMNP) Expansion Funds and New State Grant Amounts

Regional Directors  
Supplemental Food Programs  
All Regions

This is to provide you with information concerning the Fiscal Year 1994 allocation of expansion funds for current FMNP States and the allocation of funds for new FMNP States. As you know, this is the last year of operation of the FMNP under current authorizing legislation. As such, we have not made significant changes to our previous funding strategies. We will be reviewing and possibly revising funding methodologies next year under new authorizing legislation. Charts are attached delineating the allocation of these funds.

#### Division of Funds Available

The total amount of FMNP funds appropriated by Congress for Fiscal Year 1994 was \$5.5 million. The total amount of unspent funds from Fiscal Year 1993 was \$88,200, which resulted in total available funds of \$5,588,200. As required by Pub. L. 102-314, the first priority for these funds was to fund currently participating States at their most recent fiscal year's grant level. After funding current States, \$2,338,378 remained available for allocation. The law allows us to determine, based on a range of 45-55 percent, the proportion of funds to be used to support expansion requests from current States and to initiate new States. We have decided to allocate the \$2,338,378 evenly between expansion requests from current States and for initiation of new States, providing approximately \$1.170 million to each category.

#### Allocation of Expansion Funds for Current States

The amount of funds that we have available this year to distribute for expansion (\$1.170 million) represents a substantial increase over prior years. The law requires us to consider at a minimum, the following 3 factors in determining the amount of funds to be awarded to current States for expansion: amount of unspent funds from the prior fiscal year; need for an

increase in participation; and, ability to satisfactorily manage the program. Upon review of these 3 factors in relation to the reality of each State's situation, we realized that there were limitations involved in utilizing the factors with respect to expansion requests.

In addressing the first factor, amount of unspent funds from the prior fiscal year, we have established a "performance standard" in the FMNP interim regulation, which requires a State agency to spend at least 80 percent of its prior year Federal food grant (exclusive of carryforward funds) in order to be eligible for expansion funds. However, we allow States that do not meet the performance standard to present documentation justifying why the standard was not met. Because our regulation stipulating this performance standard was not published prior to the date expansion requests were due, we chose not to hold States to the standard. With regard to the second factor, need for an increase in participation, every State can produce information justifying the need for an increase. Unlike WIC and CSFP, however, we do not have a clearly defined factor of need such as potential eligibles, with which to evaluate the need for an increase in participation. The third factor, ability to satisfactorily manage the program, is inherently subjective.

Any methodology we applied did not accommodate the needs of all States. We therefore decided to retain our current allocation method of using proportionate shares to distribute funds. In retaining the current method of allocation, we are providing a simple and formulaic approach which provides each State with a reasonable increase.

#### Allocation of Funds for New State Agencies

All approved State Plans for new State agencies were funded. All States with requests of less than \$50,000 received the amount of funds requested. All States with requests above \$50,000 received a prorata reduction to their request. On average, States that requested more than \$50,000 received about 75 percent of the amount of funds requested. We used a \$50,000 threshold because Pub. L. 102-314 identifies this amount as the minimum funding level a State can receive if funding reductions become necessary, unless the State requested a lower amount.

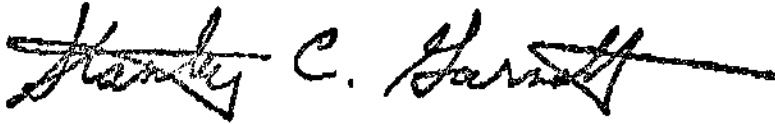
#### Additional 2 Percent Administrative Allowance

We have reviewed currently participating States' requests for the 17 percent administrative funding level. Based on our review, all States submitting justification have been approved for the 17 percent level for Fiscal Year 1994.

Regional Directors

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Our Budget Division has been advised of the expansion and grant allocation amounts for each State agency. If you have questions concerning this memorandum, please contact Debbie Whitford or Debra Utting at (703) 305-2730.

A handwritten signature in dark ink, appearing to read "Stanley C. Garnett", with a long horizontal stroke extending to the right.

STANLEY C. GARNETT  
Director  
Supplemental Food Programs Division

Attachments

cc: Regional Financial Management Director  
Debbie Whitford ✓

04/20/94

FY 1994 WIC FARMERS' MARKET REVISED GRANT AMOUNTS AND  
NEW STATE AGENCY GRANT AMOUNTS

STATE AGENCY	FY 1994 BASE AMOUNT	NEW OR EXPANSION FUNDS	FINAL FEDERAL AMOUNT	FEDERAL FOOD AMOUNT 83.00%	FEDERAL ADMIN AMOUNT 17.00%	MINIMUM STATE MATCH	ESTIMATED TOTAL PROGRAM COST
CONNECTICUT	\$265,256	\$28,000	\$293,256	\$243,402	\$49,854	\$125,681	\$418,937
MASSACHUSETTS	390,434	6,457	396,891	329,420	67,471	170,096	566,987
MAINE		60,900	60,900	50,547	10,353	26,100	87,000
NEW HAMPSHIRE		95,213	95,213	79,027	16,186	40,806	136,019
NEW YORK	856,314	424,180	1,280,494	1,062,810	217,684	548,783	1,829,277
RHODE ISLAND		50,000	50,000	41,500	8,500	21,429	71,429
VERMONT	67,786	3,389	71,175	59,075	12,100	30,504	101,679
D.C.		155,492	155,492	129,058	26,434	66,639	222,131
MARYLAND	80,823	40,036	120,859	100,313	20,546	51,797	172,656
NEW JERSEY		153,149	153,149	127,114	26,035	65,635	218,784
PENNSYLVANIA	281,202	139,295	420,497	349,013	71,484	180,213	600,710
WEST VIRGINIA		50,000	50,000	41,500	8,500	21,429	71,429
KENTUCKY		86,382	86,382	71,697	14,685	37,021	123,403
N. CAROLINA	50,700	25,115	75,815	62,926	12,889	32,492	108,307
S. CAROLINA		111,762	111,762	92,762	19,000	47,898	159,660
INDIANA		8,096	8,096	6,720	1,376	3,470	11,566
MICHIGAN	115,800	57,362	173,162	143,724	29,438	74,212	247,374
MINNESOTA		143,719	143,719	119,287	24,432	61,594	205,313
OHIO		89,047	89,047	73,909	15,138	38,163	127,210
IOWA	356,489	56,492	412,981	342,774	70,207	176,992	589,973
MISSOURI		13,158	13,158	10,921	2,237	5,639	18,797
CHEROKEE, OK		25,000	25,000	20,750	4,250	10,714	35,714
NEW MEXICO		74,462	74,462	61,803	12,659	31,912	106,374
TEXAS	700,286	346,890	1,047,176	869,156	178,020	448,790	1,495,966
CALIFORNIA		52,810	52,810	43,832	8,978	22,633	75,443
WASHINGTON	84,732	41,972	126,704	105,164	21,540	54,302	181,006
TOTAL*	\$3,249,822	\$2,338,378	\$5,588,200	\$4,638,206	\$949,994	\$2,394,943	\$7,983,143
FY 1994 APPROPRIATION		\$5,500,000					
UNSPENT FY 1993 FUNDS		88,200					
TOTAL AVAILABLE		\$5,588,200					

\*DUE TO ACCOUNTING DIVISION'S DELAY IN CLOSEOUTING THE FY 1993 PROGRAM YEAR,  
THE \$88,200 WILL NOT BE AVAILABLE WITH THIS ALLOCATION. AS SUCH, WE  
HAVE REDUCED THE TEXAS ALLOCATION BY \$88,200. THESE FUNDS WILL BE  
PROVIDED IN A SUBSEQUENT ALLOCATION.

Hannabes  
04/08/94

FISCAL YEAR 1994  
FUNDING METHODOLOGY FOR NEW FARMERS' MARKET STATE AGENCIES

	FUNDS REQUESTED	REQUESTS LESS THAN \$50,000	REQUESTS MORE THAN \$50,000	SHARE OF FUNDS	INITIAL FUNDS ALLOCATED	AMOUNT BELOW \$50,000	Prorata Reduction	PRORATA REDUCTION TO RAISE SHORTFALL	FY 1994 FINAL ALLOCATION	FINAL FUNDS AS A % OF REQUEST
California	70,000		70,000	.0472	53,044		53,044	234	52,810	75.44%
Cherokee, OK	25,000	25,000							25,000	100.00%
D.C.	206,106		206,106	.1391	156,182		156,182	690	155,492	75.44%
Indiana	8,096	8,096							8,096	100.00%
Kentucky	114,500		114,500	.0773	86,765		86,765	383	86,382	75.44%
Maine	\$80,723		\$80,723	.0545	\$61,170		61,170	\$270	\$60,900	75.44%
Minnesota	190,500		190,500	.1286	144,356		144,356	637	143,719	75.44%
Missouri	13,157	13,157							13,157	100.00%
New Hampshire	126,205		126,205	.0852	95,635		95,635	422	95,213	75.44%
New Jersey	203,000		203,000	.1370	153,828		153,828	679	153,149	75.44%
New Mexico	98,700		98,700	.0666	74,792		74,792	330	74,462	75.44%
Ohio	118,032		118,032	.0796	89,442		89,442	395	89,047	75.44%
Rhode Island	65,277		65,277	.0440	49,465	535			50,000	76.60%
South Carolina	148,142		148,142	.1000	112,258		112,258	496	111,762	75.44%
West Virginia	60,701		60,701	.0410	45,998	4,002			50,000	82.37%
Total	\$1,528,139	\$46,253	\$1,481,886	1.0000	\$1,122,935	\$4,537	\$1,027,472	\$4,537	\$1,169,188	76.51%

FY 1994 APPROPRIATION	\$5,500,000
UNSPENT FY1993 FUNDS	88,200
TOTAL AVAILABLE	5,588,200
LESS:	
BASE GRANTS	3,249,822
BALANCE	2,338,378
NEW STATE PORTION (50%)	1,169,189
Funding for Requests Less Than	46,253
Balance for Requests More than	\$1,122,936